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AUTHOR Smart, Don
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ABSTRACT

The "new federalism" policies of the conservative governments of Malcolm Fraser in Australia (1975-1982) and Ronald Reagan in the United States (1980-1985) are remarkably similar. Both men rode to power on the wave of conservative political, economic and social forces which swept the United States and Australia in the late 1970's. Both espoused "new federalism" policies which included such common elements as transferring more power and financial responsibility from the national government to the states; reducing the huge federal deficits by cutting federal expenditures--primarily in social welfare and related areas; and deregulation of federal "red tape" in dealings with industry and the states. These broader policies affected education when both leaders sought with varying degrees of success to reduce the federal role in education significantly through (1) strategies for reducing federal education spending; (2) organizational changes aimed at eliminating or weakening federal education agencies; (3) politicization of the personnel of federal agencies; and (4) policies fostering private schooling at the expense of public schooling. The two leaders found limited success in achieving their "new federalism" goals in education, and a continued role for the federal government in education can be foreseen in both countries. (Author/PGD)

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FRASER & REAGAN 'NEW FEDERALISM': POLITICS OF EDUCATION IN TIMES OF ECONOMIC RECESSION

by Don Smart
Murdoch University

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ABSTRACT

The paper explores the remarkable similarities in the 'new federalism' policies of the conservative governments of Malcolm Fraser in Australia (1975-1982) and Ronald Reagan in the U.S. (1980-1985) - and focusses specifically on their federal education policies. Both men rode to power on the wave of conservative political, economic and social forces which swept the U.S. and Australia in the late 1970's - perhaps partly in reaction to the more liberal and interventionist policies of their predecessors and to the severe economic recessions which they blamed on their predecessors. Both espoused 'new federalism' policies which included such common elements as: transferring more power and financial responsibility from Washington and Canberra to the States; reducing the huge federal deficits by cutting federal expenditure - primarily in social welfare and related areas such as health and education; and deregulation of federal 'red-tape' in dealings with industry and the states. The implications of these broader policies are then traced in relation to their specifically education policies. Both leaders sought with varying degrees of success to significantly reduce the federal role in education by: various strategies for reducing federal education spending; organisational changes aimed at eliminating or weakening federal education agencies; politicization of the personnel of federal agencies; supporting policies fostering private schooling at the expense of public schooling. The paper notes the limited success of the two leaders in achieving their 'new federalism' goals in education and predicts a continued role for the federal government in education in both countries.

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FRASER & REAGAN "NEW FEDERALISM": POLITICS OF EDUCATION IN TIMES OF ECONOMIC RECESSION

By Don Smart

Murdoch University
Western Australia

1. INTRODUCTION

As a visitor to the US in 1982, I could not help but be struck by the many remarkable similarities between the "new federalism" policies of Malcolm Fraser and of Ronald Reagan and their impact on education policy. It is my intention here to try and briefly explore some of those similarities and the forces creating them, as well as to look at the basic differences in federal involvement, and to speculate briefly on the likely future of federal education policy in both countries. I should emphasise that the American perspective is based largely on data collected up to the end of 1982 and that Fraser lost office to the socialist Hawke ALP Government in March 1983. My knowledge of Reagan education policy since 1983 is rather sketchy and impressionistic.

In many respects, former Prime Minister Malcolm Fraser and President Ronald Reagan can be seen to be almost clone-like leadership products of the wave of conservative political and social forces which swept both countries (and much of the western world) from the mid-1970s - perhaps in large measure as a reaction to the more liberal and interventionist policies of their predecessors and to the accompanying severe economic recession which they both claimed to have inherited as a direct result. Whatever the merits of Fraser and Reagan's claims that their economic predicament was inherited from the policies of their liberal predecessors, there can be little argument that both men found a great deal of common ground in their diagnoses of the ailments besetting their respective economies and federal systems of government and in their prescription of policies to remedy those ills.

Thus, Fraser in 1975 and Reagan in 1980, were swept into power arguing that their "left-leaning" predecessors had let inflation get out of control, and the national deficit grow too large through their

policies of "welfare-statist" expenditure on public sector pograms, especially in health, education, and social welfare. Further, they argued that their predecessors had, in general, encouraged the growth of centralized power in Washington and Canberra at the expense of the states and that public sector growth had been excessive and been fostered at the expense of the size and vitality of the private sector.

Both men were elected to office on the promise of implementing solutions to these problems which included such common elements as: the need to reverse the centripetal forces in our respective federal systems by handing back more responsibilities (and the capacity to fund them) to the states; the need to reduce the federal government's deficit by substantially cutting back on its expenditure, primarily in social welfare and related areas; the need to simultaneously deregulate unnecessary federal restrictions on industry and the states, and to stimulate private sector investment and growth by "supply-side" strategies such as major tax cuts and business incentives.

Enough has been painted in the broad strokes above to show that the central and related preoccupations of these leaders was with the state of the economy and the relentless growth of central government. Thus, in his inaugural address, President Reagan, in a speech which echoed Fraser's views, declared his intention "to curb the size and influence of the federal establishment, and to demand recognition of the distinction between the powers granted to the federal government and those reserved to the states or to the people".[1] Education was clearly one area which President Reagan and Education Secretary Terrell Bell believed should be "handed back" to the states. However, despite these perennial claims in both countries that education is a constitutional power reserved to the states, it is patently clear that the practical limits to federal participation in education are now essentially political and financial.[2]

Obviously, the economic and anti-centralist preoccupation of both leaders had uncomfortable policy implications for advocates of greater, or even a stabilized level of federal involvement in education.

However, it is well to acknowledge the existence at that time of an independent set of generally negative contextual factors surrounding education - factors which are still largely present and which do not augur well for education's support by national, state, or even local policymakers, regardless of whether or not Reagan and Fraser are still in power. In the halcyon period of dramatic growth in federal expenditure in education in the USA (approximately 1965-1975)[3] and Australia (1963-1975)[4] the demographic, fiscal and political environment surrounding education was strongly supportive. That supportive environment rapidly vanished in the late 1970s however, as enrollment decline, aging populations, fear of economic recession, deteriorating local, state and federal budgetary situations, and declining confidence in public institutions, including schools, led to a reduced priority for education on the political agenda in both countries.[5]

It is within the context of this sobering climate that the education policies of the Fraser and Reagan administrations must be perceived and examined. However, we must first set the stage by briefly characterizing the nature and role of the US and Australian federal governments' involvement in education prior to the election of Fraser in 1975 and Reagan in 1980. In this way we will be able to put more clearly in perspective those changes which they advocated.

2. THE NATURE OF AUSTRALIAN FEDERAL INVOLVEMENT IN EDUCATION TO 1975

In Australia, the federal government's role in education gradually evolved between 1950 and 1975 from one, initially, of peripheral involvement only in the university sector; through increasing involvement in university and college funding and student aid together with modest categorical support for public and private secondary schools and the creation of a Department of Education and Science; to ultimately, a full fledged partnership with the states in setting policy and providing a significant portion of the funding for all sectors of education from pre-school to university. Thus, between 1950 and 1975 the federal government gradually established separate statutory national commissions for universities, colleges of advances education (CAEs),

technical and further education colleges, and schools - as well as a committee to advise on pre-school and child care policy. These federal statutory commissions engaged in extensive consulation with the individual institutions and the relevant state authorities and were responsible for the presentation to the federal government of triennial reports recommending three-year plans for federal policy and funding in their respective sectors.

Remarkably perhaps, before 1975, Australian federal governments had, with very minor exceptions, endorsed and implemented *in toto* the recommendations of these commissions. As a result, by 1975, the federal government was providing approximately 20 percent of all government funds expended on elementary and secondary schools and had assumed total financial responsibility for the funding of colleges and universities as well as the provision of free tuition and an extensive system of means tested non-repayable tertiary education allowances for undergraduate and postgraduate students. If we categorize the main elements in the role which the federal government had assumed in Australian education by 1975 they included: a major funding role such that the federal government provided approximately 40 percent of all government expenditure on education (cf. US, 8.9 percent); this funding role included virtually total support for higher education and a major support and improvement role in the elementary and secondary schools (including the provision of a guaranteed floor level of support for all private schools); the fostering of equality of education opportunity through the provision of direct non-refundable financial aid to a wide variety of students at secondary and postsecondary levels, as well as special programs and aid for Aboriginal and ethnic minorities, disadvantaged, handicapped, and geographically isolated students; the collection and publication of a wide range of national educational statistics; the fostering of educational research through a generously funded education research and development committee which reviewed applications from researchers; and an awakening commitment to the fostering of vocational and technical training and transition from school to work programs.

3. THE US FEDERAL ROLE IN EDUCATION TO 1980

By comparison with Australia, the US federal role in education appears to have been much more *ad hoc* and less coherent, considerably less sizeable, and yet, paradoxically, apparently substantially more intrusive and irritating in its effects on state and local program and administration. In appealing for the adoption of a limited but more purposeful federal role in US education in 1982, Paul Peterson captured its then incoherence with his assertion that "The grab bag of federal categorical programs, which range from Impact Aid to bilingual education ... do not comprise a definable policy with attainable goals."[6] It is widely acknowledged that the vast array of categorical education programs in existence by 1980 was the "product of countless decisions grounded in expedient responses to perceived conditions arising over the decades."[7] In fact, US federal policy in education can be viewed as essentially an instrumental response to the achievement of more fundamental national policies in such areas as national security, civil rights, anti-poverty, labor, health and veteran's affairs.[8] The result, as Jack Schuster has observed, is "a bewildering hodgepodge of enactments strewn across dozens of federal agencies and congressional sub-committies - a highly diffuse system."[9]

Whilst Australian federal policy in education is often described as *ad hoc*, it exhibits, by comparison, much greater signs of consolidation and coherence. This is probably largely attributable to such factors as: the absence of local control;[10] the federal government's long-standing use of national committees of inquiry to formulate education policy; its creation of permanent advisory education commissions; and the establishment of a special Department of Education and Science much earlier in Australian (1966) to coordinate federal activities. It goes without saying that such a degree of planning and direction from the centre would be anathema in the US.

4. COMPARATIVE FINANCIAL CONTRIBUTION OF US & AUSTRALIAN FEDERAL GOVERNMENTS

In terms of financial contribution the US federal role has been significantly smaller than that in Australia. For example, in 1982 education constituted only 2 percent of total federal outlays and less than 10 percent of all government expenditure on education as compared with Australia's nearly 8 percent of federal outlays and over 40 percent of total government spending on education.[11] Or, to look at the major sectors, the US federal government presently contributes less than 8 percent of all government expenditure on elementary and secondary education, as against the Australian federal government's approximately 15 percent.[12] The picture is most striking in higher education where the US federal government's contribution for all higher education institutions represents about 16.6 percent of their revenues (ranging from as high as 22.1 percent for the research universities, to 11.3 percent for public colleges and universities) as against well over 95 percent in Australia.[13]

Tables 1 and 2 illustrate the major items of educational expenditure by the US and Australian federal governments. As might be expected with total federal funding, the tertiary or higher education segment constitutes just over half of the $4 billion Australian federal education budget, and elementary and secondary education absorbs over one-third. Note that in stark contrast to the US, of the approximately $1.5 billion which the Australian government provides for elementary and secondary, <u>almost one-half now goes as direct aid to private (mostly church) schools</u>.

The two major components of the US federal government's education contribution are elementary and secondary approximately one-half and higher education approximately one-half. In contrast with Australia, where the higher education bill has been held relatively stable since 1975 (see Tables 3 and 4) the US government experienced an alarmingly rapid increase in the cost of providing student assistance between 1975 and 1982.[14] The two major programs, Basic Opportunity or Pell Grants and Guaranteed Student Loans (GSL) both commenced modestly as assistance

for needy students in the 1960s. However, they grew enormously in the period up to 1982 as student eligibility was widened by Congress in response to middle-class pressure and as interest costs and the size of loans skyrocketed.[15] Thus, for example, whereas in 1978 1.1 million students under the GSL program borrowed $2.0 billion with interest costs totalling $0.4 billion, the Congressional Budget Office estimated that in 1982 3.4 million students would be eligible for the GSL program alone and would borrow $7.9 billion with $2.9 billion in interest costs. The Pell and GSL programs have thus become escalating multi-billion dollar "entitlement" programs which the Reagan administration is anxious but seemingly unable to curb.[16] Reports in January 1985 suggest that Reagan is hoping to pare $5.5 billion off these programs over the next three years.

The final point that needs to be made about the nature of federal involvement in the two countries prior to the election of Fraser and Reagan is that despite its substantially lesser financial magnitude (2 percent of federal outlays vs. 8 percent), the US federal government's involvement, by virtue of its highly categorical nature, appears to have been much more resented and more frequently labelled variously as intrusive, interfering, "red-tape-bound" and counter-productive by administrators at the state and local level and practitioners at the school level.[17] It is often said in the US context, that in many of the federal categorical programs, compliance has become an end in itself. Australia has had these problems to a much lesser degree, partly because its "special purpose" grants are much broader in scope (more like US "block grants"), and have a great deal of flexibility to the state and private schools in implementation, and partly because our system of educational governance for public elementary and secondary schools does not have a local layer.[18]

5. THE GENERAL AIMS OF REAGAN AND FRASER "NEW FEDERALISM"

We now come, then, to consider Fraser and Reagan "New Federalism" (dating from 1975 and 1980 respectively) and its impact on and implication for the just described systems of federal policy and

activity in education which were previously in place. Interestingly, various writers on both sides of the Pacific have, perhaps prematurely, interpreted the dramatic policy and program shifts and rhetoric of these two leaders as heralding the emergence of a "new era" or "phase" in fiscal federalism and federal-state relations. For example, Carol Weissert of the US Advisory Commission on Intergovernmental Relations in 1982 described President Reagan's first year in office as "probably one of the most significant years for intergovernmental relations in recent times", and as "a threshold year for what might be more profound changes to come".[19] Jack Schuster, writing at about the same time painted a more dramatic picture:[20]

> *Since Ronald Reagan took office nearly 16 months ago, dramatic shifts towards decentralization and reliance on the market place have been initiated, activated by a philosophy that the federal government should be involved less, not more, in the lives of its citizens and propelled by a federal budget situation requiring ...sharp curtailments in federal expenditure ... Some observers, taking stock of President Reagan's eventful first year in office, perceive a pervasive "revolution" under way, rivaled only by FDR's New Deal in its potential to redefine our polity.* (my underline).

Schuster counterbalanced these sweeping assessments by noting that "others, less convinced of a fundamental shift in societal values, acknowledge significant departures in rhetoric but reserve judgement on whether the actions to date presage momentous change."[21]

What, then, have been the underlying assumptions of Fraser and Reagan "New Federalism" and what policies have flowed from them? Weissert's list of the key assumptions underpinning Reagan "New Federalism" seem to show a remarkable degree of agreement with Fraser "New Federalism":[22]

> *(1) "grass roots" governments are best equipped to diagnose and deal with problems; (2) states are willing and able to assume greater responsibility for the administration and financing of social programs; (3) state and local officials will cooperate and collaborate more closely than in the past and will be able to "get their acts together" in the near future; (4) the federal government has grown too large, influential and costly and its operations need to be overhauled and streamlined; (5) the appropriate roles of different levels of government can be identified and functions can be assigned in a reasonably systematic manner.*

Having achieved, in 1981, by aggressive domestic program cuts, the first real cutback in federal aid to states and local government in twenty

years, Reagan in his State of the Union address in January 1982, described the federal government as "more pervasive, more intrusive, more unmanageable, more ineffective, more costly, and above all, more unaccountable" than ever before.[23] He announced his plan to roll back federal involvement in domestic programs even further with a "single bold stroke" containing two major elements: first, in a trade-off, Washington intended to take over the state portion of Medicaid in return for states' assuming full responsibility for both food stamps and the country's major welfare program - Aid to Families with Dependent Children (AFDC). Second, the federal government would gradually transfer responsibility to states and localities for some 124 categorical programs in mainly welfare and urban services area.[24] He also emphasized "making room" for states to collect the additional revenues by introducing further federal tax cuts. However, Reagan had little success in implementing the "bold stroke", for the states refused to participate in the "trade" of programs, and the continuining recession and rapidly rising federal deficit during 1982 obliged him to introduce $100 billion in new taxes on tobacco, telephone bills, and airline tickets - thus reducing the states' capacities to raise new revenue.[25]

Fraser's overall "New Federalism" strategy had many parallels. His twin aims were to reduce the scope, size and expenditures of the federal government and simultaneously to hand back responsibilities to the states and create the financial capability for them to meet these new responsibilities. Perhaps partly because of the serious economic recession, Fraser, like Reagan, had only modest success in achieving his objectives. Only in the urban and regional programmes but not in the expensive areas of health, education, and welfare, was Fraser successful in sharply reducing the "special purpose" (categorical grants in aid) grants to the states. Furthermore, despite Fraser's success in passing legislation giving the states (for the first time since 1942), the capability to raise their own income taxes, no state was prepared to incur the electoral liability of introducing its own income tax.

6. THE PRE-ELECTION POLICIES OF FRASER AND REAGAN ON EDUCATION

Let us look, then, more specifically at the education platforms of Fraser and Reagan just prior to their election. After examining these, we will compare their subsequent "performance" in office. We will commence with some excerpts from the 1974 education platform of Fraser's Liberal-National Country Party coalition. It needs to be recognised, of course, that it is an ideological and election-oriented document prepared by a conservative coalition then out of office for the first time in 23 years.[27] Nevertheless, it neatly illustrates some of the many parallels with the conservative Reagan administration.[28]

Introduction
We believe that education is a prime means for promoting individual self-development and the pursuit of excellence. We believe the individual can benefit most from the educational process if there is freedom of choice in schooling (i.e., we intend to guarantee the survival of the private school sector through the continued provision of federal aid, thus ensuring citizens a choice of public or private schooling for their children).

We believe encouragement of freedom of self-development and striving for excellence in education is the foundation for a truly pluralistic society and an enterprising nation.

Federal Role in Education
...we believe it is timely to reappraise the federal government's role in Australian education.

The Liberal and National Country Parties see the federal government's role as fourfold: first, determining the needs and requirements for federal spending in education and allocating priorities within those requirements; second, coordinating programs in education with other federal activities and with state governments and the independent schools system; third, evaluating spending to assess its effectiveness; and finally, encouraging research, innovations and experiments in education to meet the changing aspirations of society. ... Above all, we see the federal role as developing harmonious working relationships with the states, the independent school systems and the educational community... In implementing this federal role, we would be concerned to devise programs to meet the following priority requirements:

1. *widening educational opportunity;*
2. *maintaining and pursuing educational mobility and excellence;*
3. *providing choice in schooling;*
4. *encouraging community participation in education;*

5. *giving more emphasis to assessment and evaluation of expenditures and programs; and*
6. *rationalizing administrative arrangements. (My underlining).*

Let us follow with some excerpts from Ronald Reagan's Republican education platform in July, 1980, just prior to his election:

Next to religious training and the home, education is the most important means by which families hand down to each new generation their ideals and beliefs. It is a pillar of a free society.

But today, parents are losing control of their childrens' schooling. The Democratic Congress and its counterparts in many states have launched one fad after another, building huge new bureaucracies to misspend our taxes. The result has been a shocking drop in student performance, lack of basics in the classroom, forced busing, teacher strikes, manipulative and sometimes amoral indoctrination.

The Republican Party is determined to restore common sense and quality to education for the sake of all students, especially those for whom learning is the highway to equal opportunity.

Because federal assistance should help local school districts, not tie them up in red tape, we will strive to replace the crazy-quilt of wasteful programs with a system of block grants that will restore decision-making to local officials responsible to voters and parents.

We recognize the need to preserve, within the structure of block grants, special educational opportunities for the handicapped, the disadvantaged, and other needy students attending public and private non-profit elementary and secondary schools...

We understand and sympathize with the plight of America's public school teachers, who so frequently find their time and attention diverted from their teaching responsibilities to the task of complying with federal reporting requirements. ...the Republican Party supports deregulation by the federal government of public education, and encourages the elimination of the federal Department of Education...

We support Republican initiatives in the Congress to restore the right of individuals to participate in voluntary, non-denominational prayer in schools and other public facilities.

Our goal is quality education for all of America's children, with a special commitment to those who must overcome handicap, deprivation or discrimination. That is why we condemn the forced busing of school children to achieve arbitrary racial quotas...

Federal education policy must be based on the primacy of parental rights and responsibility. Toward that end, we reaffirm our support for a system of educational assistance based on tax credits that will in part compensate parents for their financial sacrifices in paying tuition at the elementary, secondary, and post-secondary level.

This is a matter of fairness, especially for low-income families, most of whom would be free for the first time to choose for their children those schools which best correspond to their own cultural and moral values...

We will halt the unconstitutional regulatory vendetta launched by Mr. Carter's IRS Commissioner against independent schools.

We will hold the federal bureaucracy accountable for its harrassment of colleges and universities, and will clear away the tangle of regulation that has unconscionably driven up their expenses and tuitions.

We will respect the rights of state and local authorities in the management of their school systems...and the more we reduce the federal proportion of taxation, the more resources will be left to sustain and develop state and local institutions. (My underlining)

7.1 Traditional Values and the Work Ethic

Pervading the policy statements of both parties though perhaps more transparent in the Republican platform, is a general social ethic of work, productivity and support of the traditional moral and ethical values and of law and order. As Clark and Amiot have observed, Reagan wants to provide a role for business and industry in education — he wants to foster a nurturing environment that will encourage the elements of the free enterprise system to work with and through education to increase productivity. There is a strong tendency for this work ethic to be reflected in an emphasis on economic rather than welfare justifications for education priorities.[30] Fraser's party echoes these concerns in its declared intention to establish "a closer relationship between the labor market and educational institutions", in its determination to foster research on the "development of concurrent work/study programs at secondary levels of education" and in its decision to "reassert the value" of the "neglected" technical education area and "give due recognition to the contribution it makes to our society".

7.2 Greater Economy and Efficiency of Federal Effort and Increased Control for State and Local Authorities and Parents

Reagan's position is more extreme here with the desire to reduce spending and eliminate the Department of Education, to consolidate the myriad "categorical" programs into "block grants", to reduce the federal "red tape" engulfing classroom teachers, to prevent the "harrassment" of universities and colleges by Washington bureaucrats, and to generally restore control of education to state and local levels and to parents by, amongst other things, making room for more local taxes through reduction of federal taxation.

Whilst Fraser's coalition party document does not spell it out in as much detail, there is ample evidence of a desire to economize, "to evaluate spending to assess its effectiveness", to ensure greater "coordination" and "rationalization" in higher education, and to avoid administrative duplication and waste. Fraser told a young Liberal Movement meeting in 1980:

> *For education this is the challenge of the 1980s. New successes will come not by arguing successfully for the spending of more money, but by reassessing how existing monies are to be spent.*[31]

There is a special concern to ensure fuller participation by, and greater consultation with, the states (via the Australian Education Council) in federal education policy-making as well as to foster greater state "devolution of authority" to "teachers, parents, and local communities", in issues of "school management and decision-making".

7.3 Quality and Excellence in Education and Freedom of Choice

Another major policy shift evident in the Reagan and Fraser party positions is that of moving away from the equality of education focus favoured by their predecessors towards a focus on quality and excellence in education. Reagan criticizes the "fads" of the past, and the "lack of basics in the classroom" whilst Fraser attacks "indiscriminate spending" and advocates much more careful "appraisal of our educational programs to ensure...that resources are being used effectively and

...that specific educational objectives are being met". Fraser often expressed sentiments such as:

> *...expenditure in primary and secondary education has risen phenomenally during the last decade...yet...children are sent out of school unable to read, write or add up...clearly young people are being betrayed by the system".*[32]

Both Fraser and Reagan with their "free market" philosophies are strongly committed to ensuring and extending "freedom of choice" in schooling and for both, this implies increased support for private schools and/or their students. Fraser's party which already supported massive state aid, also expressed interest in exploring the possibility of introducing vouchers as a way of extending such choice whilst Reagan's party firmly commits itself to introducing tuition tax credits. There is an underlying assumption on the part of both that the existence of private schools fosters educational excellence — creating a competitive environment that will stimulate public schools to improve.[33] One of the first education policies implemented by Reagan ws the creation of a National Commission on Excellence in Education.

7.4 Role of the Federal Government in Education

The absence of any statement about the federal role in education by the Republican party is perhaps symbolic of the continued lack of clarity — or perhaps an ominous portent to be read in conjunction with the conservatives' determination to eliminate the Department of Education. Fraser's coalition parties' perception of the Federal role emphasizes national determination of needs and priorities in education, co-ordination, evaluation and assessment, and finally, a role which both federal governments have played in the past — "encouraging research, innovation and experiments in education".

8. PERFORMANCE OF THE TWO LEADERS ASSESSED AGAINST POLICY STATEMENTS

How, then, have the two leaders tackled the implementation of their respective education platforms in conjunction with the wider goals of their economic and federalism programs? Perhaps we can best compare their performance by examining first the achievements and strategies of the now defeated Fraser government during its seven consecutive years in office from the end of 1975 to the beginning of 1983. The task is naturally a little more difficult in the case of the Reagan administration, given its shorter period in office and my lack of detailed data after 1982. However, enough has happened for some trends to be evident.

8.1 Fraser's Budget and Bureaucracy Trimming?

The Australian education community in general, but the federal bureaucrats in the education department and commissions in Canberra, in particular, were panic-stricken by Malcolm Fraser's electoral victory in 1975. Despite the absence of any policy reference to education agency closures, it was widely believed that Fraser would dismantle some of the education commissions and substantially cut education, health and social welfare expenditure -- all of which had burgeoned in the previous three years.[34] However, whilst the universal federal health insurance scheme and its agency Medibank, were largely dismantled, the education bureaucracy was left relatively intact. It did not escape completely unscathed, however, in the sense that Fraser, following through a Whitlam initiative, amalgamated the three separate post-secondary commissions into a single Tertiary Education Commission. So far as funding is concerned, the federal education vote as a whole has continued at about the same annual level in "real dollars" since 1976 (See Table 4). This is not as good as it might at first seem, however, because education and research costs inflated more rapidly than other costs, and so whilst the money sum available kept pace with "normal" inflation, the educational goods and services it bought shrunk significantly. Furthermore, whilst the total Federal budget (in constant dollars) grew by 22% during these seven years, the education budget declined by 0.5% (See Table 4). Thus under Fraser, education

shrank as a proportion of the total national budget from just over 9% to around 7.8% (See Table 3). In addition to all this, the Federal Government reshuffled sectoral priorities so that universities, colleges of advanced education and government schools suffered marginal cuts in support even in "real dollars" whilst technical and further education and private schools experienced modest increases.

8.2 The 1981 Federal "Razor Gang"

As the Australian economy deteriorated in 1980-1981, there was further bad news for education. In 1980, spurred by the continuing growth in the federal deficit, Fraser appointed a committee of senior cabinet ministers under the chairmanship of Sir Phillip Lynch, the Minister for Commerce, to undertake a wide-ranging "review of Commonwealth functions". The "Razor Gang" as it was swiftly dubbed, undertook a searching review of all policy areas with a view to recommending "cuts" and most of its recommendations for $560 million in expenditure reductions were announced and adopted by the Fraser government in April 1981.[35] Harman describes the suddenness and extent of these cut-backs in a wide range of government activities as unparalleled in Australian history and of great symbolic importance as a demonstration of Fraser's determination to "wield the axe" and trim both expenditures and the bureaucracy. Harman notes that whilst the amount saved was really trifling in a $35 billion budget, the strategy was a clever one. The government by targeting numerous small boards and agencies was able to cite a sizeable list of "closures".

Education did not escape the "razor gang". Perhaps its most serious victims were educational research, curriculum development and the colleges of advanced education (CAEs). In one "slash" Fraser eliminated the Federal Government's major education research funding body -- the Education Research and Development Committee — and its $2 million budget. He also abolished the Commonwealth's Curriculum Development Centre which in collaboration with the states had been responsible for extensive development of curriculum materials for elementary and secondary schools.

In perhaps the most intrusive stroke of all, Fraser stripped away any pretensions to autonomy which the colleges may have cherished by threatening to cease from 1981 Federal funding for 30 named teacher education CAEs unless by then they had undertaken amalgamations and rationalizations approved by the Federal Government. He also demanded closure of engineering schools at two CAEs and a university (which were surplus to the nation's "manpower needs"), and announced that future funding of the two universities in Perth, Western Australia, would be contingent on evidence of "greater sharing and collaboration". In addition, he announced scaling down of the Federal Schools' Commission's state offices and information collecting activities. Higher education tuition fees which had been abolished in 1974 were to be reintroduced for postgraduate students and students doing second undergraduate degrees.

These decisions, in conjunction with a general federal funding policy which continued to squeeze university and CAE budgets whilst permitting expansion in technical and further education, created a generally hostile higher education sector. The state governments were given the task of supervising the "amalgamations" of the various CAEs within their own boundaries and although most of the amalgamations occurred because of the threat to cease federal funds, they were a source of prolonged friction and running battles between the federal and state governments.[36] This did little to foster the hoped for cooperative spirit of "new federalism".

Many symptoms of the Fraser cutbacks began to show up in higher education. The volume of university research funds per capita shrunk significantly, the CAEs were instructed that their role was to teach, not research, and were largely denied federal research funds. The federal government's chief advisor on post-secondary policy, the Tertiary Education Commission, in 1982 expressed alarm at a 20 percent decline since 1975 in the propensity of secondary graduates to enrol in higher education, and blamed much of it on the Federal Government's increasingly restrictive eligibility criteria for the Tertiary Education Assistance Scheme and on the failure of the scheme's allowances to be adequately adjusted for inflation since 1974.

8.3 Fraser's Elementary and Secondary Schools' Policy

Perhaps the most controversial and conflict-ridden, certainly the most potentially "explosive" of Fraser's education policy areas was aid to elementary and secondary schools. Having been an outspoken opponent of it prior to its establishment, Fraser inherited the newly created Schools' Commission from the liberal Whitlam ALP Government in 1975. Part of the problem for Fraser and his party was that their fundamental principle (whilst in government prior to 1973) of providing all private schools with the same per capita grant for each private school student was in conflict with the ALP's equity-oriented principle of providing different levels of aid to different private schools on the basis of assessed needs. This potentially meant that the wealthy schools which many Fraser Cabinet members had attended, might not qualify for aid at all. Following heated conflict during the legislative passage of the Schools' Commission Bill in 1973, a compromise was arrived at which assumed a floor level of Federal support for all private schools, regardless of wealth and then a graduated 8-category scale of assistance based on need. Under Fraser, the ALP-created Schools' Commission had a very difficult seven years. Its equity-oriented funding advice was frequently rejected by Fraser who gradually diluted the graduated 8-point assistance scale for private schools into just three categories and continued to boost the floor level of support for the wealthiest level of schools. This policy seems to have been pursued in preference to the voucher idea. Despite contrary advice from the Commission, Fraser channelled more and more of the total Federal aid for schools budget into the private schools so that the proportion going to private schools increased from 30 percent in 1974 to just over 50 percent in 1982.[37]

Fraser also used civil service appointments to achieve the policies he wanted. When the term of office of the Chairman of the Schools Commission expired in 1981, instead of being renewed, he was replaced by a new chairman who was accused by state school interest groups of being more sympathetic to the private schools. So hostile did the public school interest group representatives on the Schools' Commission become to what they perceived to be Fraser's inequitable policies that they

threatened to resign from the Commission and thus rob it of any pretensions to being a bipartisan body with the interests of both public and private schools at heart. The Australian Teachers' Federation representative did step down from membership of the Commission. The growing disenchantment of the supporters of public schools (which educate almost 75 percent of Australia's schoolchildren) with Fraser's policies towards private schools, which they interpreted as elitist and preferential, became increasingly more visible and voluble. Thus by the time of the March 1983 Federal election, Fraser had succeeded in re-generating widespread public debate over the issue of state aid for religious schools. Conflict over this issue had been muted for almost a decade as a result of the creation of the Schools Commission with its "needs-based" funding policy.[38]

In keeping with the ideals of Fraser and Reagan "New Federalism" policy, too, Fraser reduced the size and activity of the Schools Commission offices in the states, phased out such irritants to the State Education Departments as the Innovations Program, and increased the participation of the Australia Education Council (Council of State and Federal Ministers of Education) in planning and discussions of federal education policy.

8.4 Reagan's Education Performance 1980-1982

In the brief space of two years, the general thrusts of Reagan's education policy became very clear. One might speculate that but for the myriad of constraints -- congressional, judicial and interest group -- on his achieving of his objectives, by the end of 1982 there would not have been a department of education or an NIE; there would simply have remained the barest bones of an education budget for such electorally unavoidable constituencies as bilingual, disadvantaged, vocational, handicapped, and perhaps for higher education research and student assistance -- all of which would have been administered through an education foundation or the various other federal agencies already in existence. The other policies which would undoubtedly have been in place - but for the constraints - would be the essentially conservative

"new right" set of economic and social prescriptions encompassed by: tuition tax credits for private schools; prayer in public schools; no busing; repeal or non-enforcement of anti-discrimination legislation; no IRS discrimination against discriminating schools; and federal support for the development of educational performance standards and improvements.[39] Perhaps the overall goal of the Reagan administration towards education in its first two years is best summed up in the words of Clark and Amiot as being "policy disengagement from education". They saw Reagan's education policy subsumed under the "five D's" of: discrimination, deregulation, decentralization, disestablishment, and de-emphasis. Let us look at the performance of Reagan from 1980-1982 under some of these headings.

8.4.1 Disestablishment

President Reagan appointed the conservative Utahan, Terrell H. Bell, Secretary of Education, with the somewhat unusual mandate to dismantle his own Department. This proved a tougher task than Bell and Reagan had envisaged, and it now seems likely that Bell's proposed solution, the Department's replacement by a small "non-intrusive" education foundation is also destined to failure or to lengthy delay. Bell's 91 page proposal to the President for a National Education Foundation "called for the transfer of many offices of the department to other federal agencies, the reduction of more than 100 education programs to a handful, and a large-scale modification of regulations that accompanied those programs."[40] It appears that Bell, a moderate by Reagan camp standards, in proposing a foundation, pleased neither the educationalists and education lobbyists — who feared it as a phase-out of education support — nor the conservative Republicans — who saw it as a continuing symbol of Federal Government involvement and control of education.

So hostile did the more conservative wing of the Reagan camp become to Bell that it began a spirited public campaign demanding his sacking for his failure to excise the Federal role in education completely. Two of those most vociferous in this campaign were Edward A. Curran, the

former Reagan appointee as Director of the National Institute of Education (NIE) and his deputy, Larry Uzzell. Curran set out to dismantle the nation's 17 federally-funded regional education laboratories and research centres. Although he failed in his effort to terminate the labs' and centres' 5-year contracts early, their future beyond December 1984 was uncertain. However, Curran overstepped the mark when he sent a memorandum to the President recommending the elimination of the NIE without consulting Secretary Bell. Bell promptly dismissed Curran, and Uzzell followed.[41]

But Curran and Uzzell did not give up their vendetta against the NIE. They created a new right lobby group called Public Advocate which direct-mailed citizens, seeking money to help close the NIE which "is staffed by anti-family bureaucrats", is the darling of "radical left-wing feminists", and "gave our tax dollars to a sex educator". The mail package included a postcard to Washington on which contributors were urged to write "Bell should be fired".

8.4.2 The Politicization of the Education Department and Advisory Committees

Another strategy which the Reagan administration's White House personnel office has used extensively, perhaps recognizing the potential difficulties of axing the Department, has been that of stacking the Department's senior posts with "ultra-conservatives". As Anne C. Lewis observed in her "Washington Report": "The appointments under Bell read like the blue book for the Far Right".[42] Thus, appointees such as Curran and Uzzell, whilst failing to "kill the NIE", succeeded in rearranging its research priorities for 1983 to fit the conservative new right agenda by including such projects as tuition tax credits, home instruction, the influence of working mothers on children's achievement, and education vouchers.[43]

Other conservative Reagan appointees to the Department of Education included Robert Billings, head of regional offices. Billings was the first executive director of the Moral Majority and led the fight of

Christian Right activists against Internal Revenue Service efforts to withhold tax exemptions from segregated private schools. Another Reagan appointee, Donald J. Senese, assistant secretary for research and improvement, was responsible for striking 13 programs from the National Diffusion Network (NDN) because they involved the teaching of values. The projects included career education, environmental studies, and one on the prevention of drug abuse, which was the most popular NDN program ever.[44]

Many observers have concluded that Reagan, having failed to muster sufficient congressional support to eliminate the department, is now deliberately "trashing it" by the appointments process:[45]

> *Unable to kill the department, the Reagan administration seems bent on slowly poisoning it, robbing education of the stature hoped for by ED proponents and diverting attention from crucial issues to peripheral debates...some politics was to be expected, but under Reagan, the situation is messy politics at best. The jumble of ultra-conservative and fundamentalist religious viewpoints now determining department policies represents a very narrow, authoritarian, and minority point of view in American education, private as well as public.*

Perhaps a more insidious and less publicized way in which Reagan has extended the politicalization of education policy is his systematic and unprecedented sacking, before their terms have expired, of most of the Carter appointed members of the 8 departmental advisory panels on various aspects of education policy, and their replacement by his own appointees.[46] Thus, in May 1982 he sacked and replaced 14 of the 18 members of the Intergovernmental Advisory Council on Education, which is responsible for monitoring the effects of Federal education programs on the states and schools. From all reports, there was no effort whatsoever to seek a balanced membership of these newly constituted advisory committees. For example, 10 of the 15 members of the National Council on Education Research, which sets policy for NIE were dismissed and replaced. The new chairman, George Roche who advocated the abolition of the NIE and the Education Department, was president of a private college which was at the time "embroiled in a legal tangle over affirmative action". Other council members included Onalee McGraw, a "Far Right" education consultant to the conservative Heritage Foundation, who helped the Reagan team draw up the blueprint for

dismantling the Department and Penny Pullen, whose American Legislative Exchange Council was alleged to have helped draft model book-banning legislation.

8.4.3 Budget Diminution and Program Consolidation

In his first budget, through masterful parliamentary strategy, President Reagan achieved part of his new federalism goal by reducing federal grants-in-aid to the states for the first time in the history of federal intergovernmental aid. Grant outlays were reduced from their FY 1981 peak of $91.5 billion to approximately $86.8 billion. This 9.5 percent reduction was largely achieved through the consolidation in 1982 of 77 categorical programs and two earlier block grants into 9 blocks in which the states were given greater flexibility but 25 percent less in money terms. Education contributed substantially to this consolidation process with 37 categorical programs collapsed into two block grants. OMB estimated a $7.1 billion saving was effected between the Carter projected 1982 budget and the Reagan actual 1982 budget in the single functional area of Education, Training, Employment and Social Services.[47]

Certainly, Bell regarded the consolidation and savings achieved through the Education Consolidation and Improvement Act of 1981 (ECIA) as perhaps Reagan's most important achievement to date.[48] According to the National Association of State Boards of Education the act may mark the beginning of a new era in intergovernmental relations in education. But the law was enacted swiftly and with little debate, and the legislation apparently complex and unclear in many areas. Under "Chapter II" of ECIA, twenty-nine categorical grant programs for elementary and secondary education were consolidated into one block grant with $589 million authorized expenditure.[49] However, Title I of the Elementary and Secondary Education Act — the largest single federal education program — although significantly revised, remains a separate program, as do federal programs for the handicapped, vocational education, bilingual education and impact aid. The continued separation of these latter programs is a tribute to the influence of their

constituents. The principal purposes of ECIA, apart from reducing costs, are to increase state and administrative flexibility, reduce regulatory burdens and eliminate unnecessary paperwork.

There are already some indications that the effects of introducing "block grants" are far-reaching. For example, the Federal funding for the Chapter II programs was drastically reduced from its original level under Carter of $733 million to $510 million in 1982, and $442 million in 1983.[50] Reports in Education Week suggested during 1982 that state education officials after recovering from the initial euphoria generated by their new responsibilities and greater administrative flexibility were beginning to grapple with the reality of less funds, competing demands for educational services, and a vacuum of guidelines. A survey of state block grant administrators by Education Week reporters produced gloomy predictions of dramatic and largely inequitable redistributions of funds, "from urban, desegregating districts, to sparsely populated areas; from public schools to private; from systems accomplished in the art of grantsmanship to districts that have never received any Federal funds".[51] My impression is that there is ample evidence now to substantiate the accuracy of these predictions.

Following his successful pruning of expenditure in many areas including education in his first budget, President Reagan has encountered tough opposition to further cuts. Although he sought to reduce the Education Department vote from $14.8 billion in 1982 to $9.95 billion in 1983, Reagan was thwarted by Congress. Furthermore, Congress also dashed Reagan's efforts to reduce the number of students (5.5 million) receiving GSL and Pell grants and the level of their assistance during 1983-84.[52]

Similarly, whilst Secretary Bell was able to boast some success in the area of consolidation and deregulation — notably in the passage of ECIA — his Department's efforts to undertake major revisions and consolidations of the legislation and regulations relating to such major programs as bilingual education, education for the handicapped, and vocational education became bogged down in disagreements with the

constituencies and with Congress. In her "Washington Report" Anne Lewis painted a picture of an extremely inept senior administration in the Education Department, which, through ignorance and insensitivity to the workings of Congress and through the interference of the Office of Management and Budget in its affairs, had lost many battles and had increasingly riled Congress:[53]

> *...the education related committees on Capitol Hill must...be more chagrined with each encounter, over having to deal with a department like no other in the administration -- one that appears to be overrun with narrow-interest ideologies who often show no expertise on the issues that normally concern Congress.*

8.4.4 The Social Agenda Items of Reagan and the New Right

Although he has had few successes in his social agenda to date, Reagan's stance is very clear. He has supported in one way or another, right wing causes which seek to undermine existing legislation or practices relating to desegregation, busing, and affirmative action and he has also sought to introduce legislation on such measures as tuition tax credits for private school students and the introduction of prayer in public schools.

In an article on "The New Right Movement", Ben Brodinsky asserted:[54]

> *The New Right leads the President of the United States, and the President of the United States leads the New Right. Each energizes the other. Ronald Reagan will do just about anything the New Right wants him to do insofar as public education is concerned.*

Brodinsky claimed that the New Right had very strong support in the Republican majority Senate for its education policies, and moderate support in Congress. Right wing legislation on desegregation, busing, prayer, tuition tax credits, affirmative action, and tax exemption for private schools has apparently been piling up in both houses of Congress at an unprecedented rate since Reagan took office. However, much of this legislation is apparently merely "flag-waving" for the folks back home. The technique which has increasingly been used by legislators to get desired legislation passed is that of tacking it onto budget bills — hence the 1981 Omnibus Education Reconciliation Act almost

surreptitously repealed the ESEA, and changed the statutory provisions for aid to college students, for vocational education, for land grant colleges and families in areas affected by Federal installations.

Despite the opposition of liberal Republican Senators such as Lowell Weicker and Charles Mathias to such strategies, Brodinsky predicted similar attempts by the right to "tack on" substantive educational measures to the 1983 budget and appropriations bills.

9. RATING THE SUCCESS OF REAGAN AND FRASER NEW FEDERALISM

If we assess the extent to which Reagan and Fraser have achieved their 'New Federalism' objectives, I think we would have to conclude that their success has been rather modest and limited. There is no question that both achieved some modest cutting of educational expenditure (or at the very least curbed the spiralling growth in Federal educational expenditures).

Undoubtedly the greatest single achievement was Reagan's tactical masterpiece in packaging and selling to Congress the Omnibus Reconciliation Act of 1981 - an Act which Richard Nathan described as "...the single most important piece of social legislation enacted in the US since the Social Security Act of 1935. This legislation did not just cut spending, it fundamentally changed social programs".[55] However, despite such accolades it is important to recognise that whilst Reagan did achieve substantial consolidation, the largest and most sensitive education programs were "rescued" from consolidation by compromise agreements and the health programs were also reworked into three less ambitious block grants.[56] Certainly, efforts by Reagan to achieve further cuts in education expenditure in subsequent years have been unsuccessful.

Fraser was somewhat less successful, managing only to maintain education spending constant during his seven year term of office and achieve some rather cosmetic (though nonetheless, symbolic) savings through closures of small agencies and the amalgamation of various

colleges. Given the prior momentum of continuous growth in Federal educational expenditure in both countries, the curbing of growth by both leaders should not be belittled as an achievement. But this was probably their most significant achievement under New Federalism. Neither man was particularly successful in his efforts to dismantle Federal education structures. Fraser's closure of the Curriculum Development Centre and the Education Research & Development Committee were largely symbolic gestures resulting in almost negligible gains in terms of size and expense of the Federal bureaucracy.

Reagan certainly failed in his efforts to dismantle both the Education & Energy Departments. Recent omissions in policy statements suggest he has abandoned this goal.[57] However, it is more difficult to assess the success of Reagan in his more subtle approach of "infiltrating" and "slowly poisoning" the DE and NIE by use of his own political appointees. According to some observers, there is no question that considerable damage has been done to the effectiveness and stature of both organisations through this process. To a lesser extent too, Fraser used similar tactics to weaken the Schools Commission and the Department of Education.

Nor has Reagan been successful in the implementation of his "new right" causes of school prayer and tuition tax credits. On the other hand, the report of his National Commission on Excellence has probably had some marginal suasive effect on school practice across the country and has enabled him to claim continuing interest in educational improvement.

In all, it is very tempting to say that, on the evidence, Reagan and Fraser "New Federalism" has been largely a "damp squib" and the promise has not matched the performance. To a large degree, this failure of our leaders to cut deeper into education budgets and to dismantle Federal structures is a striking tribute to the resilience, strength and tenacity of the education professionals and pressure groups. It is also testament to the strength of the politicians who represent the interests of education in parliament and Congress and to their recognition of the continuing salience of the 'education vote' as

a factor in political survival.

10. THE FUTURE OF 'NEW FEDERALISM' AND FEDERAL INVOLVEMENT IN EDUCATION IN AUSTRALIA AND THE US

10.1 "New Federalism" - Is It "Dead"?

Can we pronounce "New Federalism" to be a 'fad' which has now had its day? It is fair to say that Fraser's defeat in 1983 and Reagan's successful election for a second term in 1984 have probably led to the paths of our two countries diverging so far as the future political possibility of endorsing "New Federalism" is concerned. Although Ronald Reagan no longer seems to use the term "New Federalism", there is no question that its core concepts - streamlining Federal Government and its budget and returning revenue to state and local levels via block grants free of Federal control, is still central to his thinking.[58] By contrast, the Hawke Labor Government is a moderate socialist government which, in its first term of office was unperturbed by modest increases in Federal expenditure and the accretion of power in Canberra. Certainly Hawke was elected with a mandate to reverse the austere economic policies of Fraser "New Federalism". Perhaps the great irony is that whilst "New Federalism" has lost its lustre as a slogan, the huge budgetary deficits - for which Fraser and Reagan must take much of the blame - will continue to make the main economic strategies embraced within their concept of "New Federalism" attractive policies for Reagan to pursue in the US and Hawke in Australia.

Equally fascinating is the way in which both leaders may be moving towards more similar economic policies as the balance of Reagan's key advisors becomes more 'centrist' and simultaneously Hawke tends to be captured more by his powerful right wing of the Labor Party. Federal education policy in Australia at the present time is a classic example of a policy area which is very much at the mercy of the conservative financial managers in the ALP Cabinet.

10.2 The Future of Federal Involvement in Education in Australia and the US

Clearly, in both countries the future of Federal involvement needs to be seen in its specific context. There are many common features of the immediate social, political and economic climate for education which are counter-productive for those of us who favour a continued strong or growing role from our respective Federal governments. The darkest cloud of all is ballooning Federal deficits and the relatively low priority, and therefore high vulnerability of education in the budget-pruning process. Other well-known "negatives" are the general demographic and enrolment picture, and the prolonged nadir in public support for education stemming from widespread criticism of education on grounds ranging from "standards", to absence of accountability to "political subversion", to linkage with high youth unemployment.

Another contextual factor to be taken into account in assessing the prospects for future Federal involvement is the comparative level of existing Federal aid in the two countries. In the US where it constitutes less than 10 percent of all government expenditure on education (as against 40 percent in Australia), the situation is more precariously balanced and there is perhaps a greater vulnerability to excision.

The Australian Federal role, precisely because of its magnitude, seems just that much more secure. It is inconceivable that the Federal government could withdraw from education altogether. After all, it totally funds the universities and colleges, and the states have refused to be drawn back into sharing this burden. Nor would it be electorally feasible for a Federal government, whether conservative or liberal, to abandon the now entrenched Federal role as financial guarantor to the private school sector. Thus, the most likely Australian scenario is a continuation or slight deterioration of the present "steady-state" of Federal funding — perhaps with a continuation for the time being of the present internal shift in funding priorities from universities and colleges to technical and further education and schools. However the Federal neglect of higher education for over a decade is now showing up

such serious problems that the Government may soon recognise the need to redress them.

Another variable which obviously has to be taken into account in predicting the future Federal role is the party in power. Quite obviously, whether you have a Carter or a Reagan in office does make a difference. During Reagan's second term, it seems highly unlikely that the Federal role in education will be enhanced. By contrast, the election of Hawke ensures retention of a strong Federal role in Australia, though continuing deficit problems make major new initiatives unlikely.

As a visitor to the US for six months in 1982, unfamiliar with the complexities of the system, I was continually torn between the widespread view expressed in the US that the negative forces represented by the state of the economy and the New Right were so strong that the Federal role in education was destined to shrink further or even disappear and the more sanguine view that stressed the durability of institutions and the great difficulties involved in altering the status quo — which suggested that some kind of Federal role would continue. At that time, Fraser was still in power in Australia and I concluded my comparative analysis with the prediction that it was highly likely that a significant Federal role in education would continue in both countries. I did so on the grounds that up to the end of 1982, the most striking feature of the Federal role in education in the two countries under Fraser and Reagan had been its remarkable resilience and durability. Despite the feared closure of the Schools' Commission in 1976 it was still there in 1982. Despite Reagan's attempt to eliminate the Education Department, it was still there — albeit somewhat battered — two years into his first term of office. Despite the "Razor Gang" cuts most of the key Federal aid programs in Australia remained intact. Despite the drastic cuts and consolidations of ECIA, key programs such as Title I, Handicapped Education, Bilingual Education and Vocational Education did survive. From the vantage point of 1985 that prediction seems sound. Fraser is gone, Hawke may not extend the Federal role but he is committed to maintaining it and Reagan seems to

have cut his losses and backed off from his early extreme position which questioned the need for a Federal role in education and sought to dismantle the structures which nurtured it. Nevertheless, given the enormity of the US and Australian Federal deficits into the forseeable future, educators will need to maintain a strong advocacy if they wish to ensure a continued Federal presence in education.

TABLE 1: AUSTRALIAN FEDERAL EDUCATION BUDGET FOR 1983-84

	1983-84 ($'m)
TERTIARY	
Universities	1,162.9
CAEs	759.8
Technical and Further Education	281.2
Credit for Foreign Students	118.0
TOTAL TERTIARY	2,090.3
SCHOOLS	
Government	706.1
Non-Government	703.3
Joint Programs	42.1
Administration, etc	7.8
TOTAL SCHOOLS	1,494.1
SPECIAL GROUPS AND PROGRAMS	
Student Assistance Schemes	308.4
School to Work Transition	26.0
Special Groups:	
Aboriginals	59.5
Migrant Education	41.3
Veterans Children	3.1
Isolated Children	22.9
TOTAL SPECIAL GROUPS	126.9
GENERAL ADMINISTRATION	42.4
TOTAL EDUCATION	4,085.3

Source: Budget Papers, Hansard, H.R., 21 August 1984, pp83-4.

TABLE 2:

U.S. Federal Government budget allocations

Major missions and programmes	1981 actual	1982 estimate	1983 estimate	1984 estimate	1985 estimate
BUDGET AUTHORITY					
Elementary, secondary and vocational education					
Education for the disadvantaged	3,112	2,481	1,942	1,500	1,500
State education block grant	614	471	433	305	305
Indian education	352	326	308	291	291
Impact aid	662	453	289	289	289
Education for the handicapped:					
Existing law	1,025	784			
Proposed legislation			846	846	846
Vocational and adult education:					
Existing law	782	634			
Proposed legislation			500	500	500
Other	166	131	99	79	79
Subtotal, elementary, secondary, and vocational education	6,713	5,280	4,417	3,809	3,809
Higher education					
Aid to students:					
Pell Grants	2,604	2,188	1,400	1,000	1,000
Campus-based aid	1,198	1,024	400	400	400
Guaranteed student loans:					
Existing law	2,535	3,061	3,397	3,689	4,035
Proposed legislation		−309	−912	−1,174	−1,536
General institutional assistance	216	228	200	185	184
Special institutions	204	220	222	223	223
Other	157	140	82	82	82
Subtotal, higher education	6,913	6,552	4,789	4,405	4,388
Research and general education aids					
Educational research and statistics	75	62	62	62	72
Cultural activities	673	639	562	506	528
Other	539	486	436	441	449
Subtotal, research and general education aids	1,286	1,186	1,060	1,010	1,039
Subtotal, education	14,912	13,018	10,266	9,224	9,236

Source: *Education Times* (15-2-1982, p. 1).

TABLE 3: SOME KEY AREAS OF FEDERAL BUDGET OUTLAYS AS A PROPORTION (%) OF TOTAL OUTLAYS 1974-75 - 1983-84

FUNCTION	WHITLAM (ALP)	FRASER (LIBERAL)					HAWKE (ALP)	
	1974-5	1975-6	1977-8	1979-80	1981-2	1982-3	1983-4	1984-5 EST
DEFENCE	9.2	8.5	8.9	9.5	10.0	9.8	9.5	9.1
EDUCATION	9.3	8.7	9.0	8.3	7.9	7.6	7.2	7.1
HEALTH	7.2	13.5	10.1	10.0	7.1*	7.0	7.8	9.7
SOCIAL SECURITY AND WELFARE	20.8	23.0	27.8	27.8	27.8	28.8	29.1	28.2

SOURCE: Budget Papers, H.R., 21 August 1984, p391.

* Changed funding basis from 1981-2 makes figures before and after non-comparable.

TABLE 4: SOME KEY AREAS OF AUSTRALIAN FEDERAL BUDGET OUTLAYS 1974-5 TO 1984-5 IN CONSTANT 1979-80 DOLLARS ($b)

OUTLAYS	WHITLAM (ALP) 1974-5	FRASER (LIBERAL) 1975-6	1977-8	1978-9	1980-1	1982-3	% INCREASE OF 1982-3 ON 1974-5	HAWKE (ALP) 1983-4	1984-5	% INCREASE OF 1984-5 ON 1974-5
DEFENCE	2.684	2.627	2.794	2.868	3.218	3.496	+ 30.25	3.667	3.723	+ 38.71
EDUCATION	2.731	2.671	2.813	2.773	2.602	2.716	- 0.55	2.783	2.906	+ 6.41
HEALTH	2.108	4.165	3.160	3.181	3.305	2.504	+ 18.79	3.005	3.955	+ 87.62
SOCIAL SECURITY AND WELFARE	6.095	7.096	8.695	8.876	8.994	10.316	+ 69.25	11.198	11.543	+ 89.38
TOTAL BUDGET OUTLAYS	29.261	30.792	31.285	31.789	32.728	35.771	+ 22.25	28.335	40.903	+ 39.79

SOURCE: Budget Papers, H.R. 21 August 1984, p389

FOOTNOTES

1. Intergovernmental Perspective, ACIR, Winter 1982, Vol.8,, No.1, P.5.

2. I.K.F. Birch, "Constitutional Courts, Federal Systems, and Education", in Grant Harman and Don Smart (eds.), Federal Intervention in Australian Education, Georgian House, Melbourne, 1982, p.42. Jack H. Schuster, "Out of the Frying Pan: The Politics of Education in a New Era", Phi Delta Kappan, May 1982, p.584.

3. James W. Guthrie, "The Future of Federal Education Policy", Education and Urban Society, Vol.14, No.4, August 1982, pp.511-530.

4. Don Smart, "The Pattern of Post-War Federal Intervention in Education", in Harman and Smart (eds.), 1982, pp.15-34.

5. ibid. Guthrie, 1982. Michael W. Kirst and Walter I. Garms, "The Demographic, Fiscal, and Political Environment of Public School Finance in the 1980s", Institute for Research on Educational Finance and Governance, Policy Paper No.80-C1, Stanford University, March 1980. Susannah Calkins and John Shannon, "The New Formula for Fiscal Federalism: Austerity Equals Decentralization", in Intergovernmental Perspective, ACIR, Washington, Winter 1982, Vol.8, No.1. Hans Weiler, 'Is There a Legitimacy Crisis ... I.F.G.

6. Paul Peterson, Chapter VI, "Future Directions in Federal Education Policy", for the 20th Century Fund, August 1981.

7. Jack H. Schuster, "Out of the Frying Pan: The Politics of Education in a New Era", Phi Delta Kappan, May 1982, p.584.

8. Lawrence E. Gladieux and Thomas R. Wolanin, Congress and the Colleges: Thge National Politics of Higher Education,, Lexington, MA: D.C. Heath, 1976, p.xi. John Brademas, quoted in David W. Breneman and Noel Epstein, "Uncle Sam's Growing Clout in the Classroom", The Washington Post, August 6, 1978, p.D-4. Both quoted in Schuster, op.cit., p.584.

9. For a comprehensive historical review of the US Federal Government's role in education see Carl F. Kaestle and Marshall S. Smith, "The Federal Role in Elementary and Secondary Education, 1940-1980" in the Harvard Education Review, Vol.52, No.4, 1982, pp.384-408.

10. Thus leaving the Federal government only six state governments (no school districts) to negotiate with.

11. Commonwealth Parliamentary Debates, House of Representatives, August 18, 1981, p.134. "Commonwealth Education Funding Levels for 1983", Ministerial Press Release, June 21, 1982.

12. Intergovernmentalizing the Classroom, ACIR, 1981. Derived from Australian Students and their Schools, Schools' Commission, Canberra, ACT, 1979, pp.137-138.

13. Schuster, op.cit., p.584.

14. For example, student aid which constituted 35 percent of Federal aid in 1960 had grown to 63 percent by 1976 and has grown rapidly since then. The Evolution of a Problematic Partnership: The Feds and Higher Ed., (A-82), ACIR, Washington, May 1981, p.8.

15. Joseph E. Schneider, "The Political Implications of Education in the 80s", Keynote address to National Conference of Professors of Educational Administration, San Marcos, Texas, August 16, 1982.

16. ibid. Reducing the Federal Budget: Strategies and Examples, FY 1982-1986, Congressional Budget Office, February 1981, p.109. P.S. My estimate of total cost of all loan programs to feds in 1981-1982 from Charts in Education Week 6/2/82 is around $6 billion but figure in Education chart by Gary Jones suggests more like $12 billion.

17. See, for example, Joel D. Sherman, "Federal Education Policy in Australia: Implications for the US", School Finance Project Working Paper, NIE, March 1981, pp.21-22.

18. It should be added here that Australia has recently created a more complex, labyrinthine, Federal system of university governance by adding new layers of authority at Federal and State levels, and this is now leading to widespread complaints of Federal "interference" and "intrusion" so familiar to the ears of students of US "categorical aid".

19. Intergovernmental Perspective, ACIR, Winter 1982, Vol.1, No.1, p.4.

20. Schuster, op.cit.

21. ibid.

22. Weissert, op.cit.

23. ibid.

24. ibid.

25. Education Week, April 14, 1982, San Francisco Sunday Examiner and Chronicle, October 3, 1982, pp.A-10-11.

26. Malcolm Fraser, Address to the Young Liberal Movement, La Trobe University, 14 January 1980.

27. The Whitlam socialist Australian Labor Party was in government from 1972-1975 for the first time since 1949, and was responsible for a massive expansion of Federal activity and spending in education and

in other welfare areas. For a more detailed account of that period, see I.K.F. Birch and D. Smart (eds.), The Commonwealth Government and Education 1964-1976: Political Initiatives and Developments, Drummond, Melbourne, 1977, pp.34-38.

28. Liberal-National Country Party, Education Policy, Canberra, 1974. Words in parenthesis added.

29. Education Times, October ?, 1980.

30. David L. Clark and Mary Anne Amiot "The Impact of the Reagan Administration on Federal Education Policy", Phi Delta Kappan, December 1981, p.259.

31. Fraser, 14 January 1980, op.cit.

32. ibid.

33. Clark and Amiot, p.259.

34. I.K.F. Birch and D. Smart (eds.), The Commonwealth Government and Education 1964-1976: Political Initiatives and Developments, Drummond, Melbourne, 1977, pp.6-7. Also see Birch and Smart, "National Education Policy-making", ERDC Report, 1980.

35. For a detailed analysis of this review and its impact on education, see Grant Harman, "The Razor Gang Moves, The 1981 Guidelines and the Uncertain Future", Chapter 9 in Harman and Smart.

36. The saga of these Federal-State conflicts is well documented in the Australian's Higher Education Supplement during 1981 and 1982.

37. Commonwealth Parliamentary Debates, House of Representatives, June 4, 1981, p.3125.

38. National Times, August 29 to September 4, 1982, p.8ff.

39. For a fascinating look at the "New Right" movement, its strategies, and its impact on the public schools, see Ben Brodinsky, "The New Right", in Phi Delta Kappan, October 1982, p.87ff.

40. Education Week, September 7, 1981; April 14, 1982; August 25, 1982.

41. Phi Delta Kappan, September 1982, pp.3-4. Education Week, March 31, 1982, April 14, 1982.

42. ibid.

43. ibid.

44. Phi Delta Kappan, September 1982, p.4.

45. ibid.

46. Education Week, June 2, 1982. May 12, 1982. Phi Delta Kappan, September 1982, p.3.

47. David B. Walker, et al. "The First Ten Months: Grant in Aid, Regulatory, and Other Changes", in Intergovernmental Perspective, Winter 1982, Vol.8, No.1, pp.5-6.

48. Education Week, August 25, 1982.

49. The Education Consolidation and Improvement Act of 1981: Its Meaning for State and Local Policymakers and Administrators, National Association of State Boards of Education, Washington, 1981.

50. Education Week, March 24, 1982. April 7, 1982.

51. ibid. March 24, 1982.

52. Stanford Daily, October 20, 1982.

53. Phi Delta Kappan, October 1982, p.3.

54. Phi Delta Kappan, October 1982, p.87.

55. Quoted in T.J. Conlan, "The Politics of Federal Block Grants", in Political Science Quarterly, 99, 2, Summer 1984, p.260.

56. ibid, p.262.

57. Congressional Quarterly, September 29, 1984, p.2380.

58. ibid., August 25, 1984, "Republican Platform" 1984, p.2105.